

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary - Public

Date: 4/21/2010

GAIN Report Number: TW10009

Taiwan

Post: Taipei

April 20 Update on Taiwan's 2010 Rice CSQ Tender

Report Categories:

Grain and Feed

Approved By:

Chris Frederick

Prepared By:

Chiou Mey Perng

Report Highlights:

On April 20, Taiwan completed a tender for 3,000 tons of US-origin short grain glutinous milled rice. This tender was re-specified from an incomplete 2008 tender for US long grain. In addition to another successful March 23 re-specified 2008 tender for 8,050 tons of US-origin medium/short grain brown rice, Taiwan short filled 2008 U.S. rice CSQ has decreased from 58,134 tons to 46,638 tons.

Also completed was the first tender of Taiwan's 2010 CSQ tender under traditional tender system for 20,000 tons of US-origin medium/short grain brown rice.

General Information:

On April 20, Taiwan completed a tender for 3,000 tons of US-origin short grain glutinous milled rice. This tender was re-specified from an incomplete 2008 tender for US long grain. In addition to another successful March 23 re-specified 2008 tender for 8,050 tons of US-origin medium/short grain brown rice, Taiwan short filled 2008 U.S. rice CSQ has decreased from 58,134 tons to 46,638 tons.

Also completed was the first tender of Taiwan's 2010 CSQ tender under traditional tender system for 20,000 tons of US-origin medium/short grain brown rice.

As of April 20, U.S. CSQ tender completion rate for the 2010 CSQ stands at 45 percent while the overall Taiwan 2010 CSQ completion rate stands at 47 percent.

I. April 20 Update on Incomplete 11,500 tons of the 2008 U.S. Rice CSQ Tender (re-specified from long grain tender)

GF4-970-302 for 8,050 tons of U.S.-origin short/medium grain brown rice for delivery by June 30, 2010

The tender completed and was reported in "March 23 Update on the 2010 Rice CSQ Tender."

GF4-990-048 for 3,000 tons of U.S.-origin short grain glutinous milled rice (3,450 tons brown equivalent) for seller's choice of crop year 2009 or 2010 and for delivery by end of 2010

This tender initially failed on March 18 because all submitted rice samples contained higher damaged kernels than the tender quality specification and thus was rescheduled for April 20 under different quality specifications.

Four out of five bidders were successful with two bidders awarded 1,000 tons and one bidder was awarded for 400 tons at NT\$34,488/mt or \$1,098/mt. The fourth bidder was awarded 600 tons at NT\$34,020/mt or \$1,083/mt.

II. The 2010 CSQ Tender Schedules and Results

1. Traditional Tenders:

On April 20, Taiwan completed the first tender of Taiwan's 2010 CSQ tender under traditional tender system for 20,000 tons of US-origin medium/short grain brown rice. Details are as follows.

GF4-990-069 for 20,000 tons of U.S.-origin short/medium grain brown rice for delivery by August 31, 2010

Four out of five bidders were successful, one bidder received 3,000 tons at NT\$21,700/mt or \$691/mt, two bidders received 11,000 tons and 2,000 tons respectively at NT\$22,070/mt or \$702/mt while the fourth bidder was awarded 4,000 tons at NT\$22,561/mt or \$718/mt.

2. SBS Tenders:

The second tranche of the SBS tenders have completed except the Tender GF4-990-042 for 6,000 tons of Australia-origin, see below.

GF4-990-042 for 6,000 tons of Australia-origin

Taiwan awarded 260 tons to one winning bidder at NT\$1.58/kg or \$50/mt at the third tendering. The remaining 5,740 tons will be globalized with a tender date to be determined.

Exchange rate was NT\$31.40 to \$1, quoted April 20, 2010.

Table 1: The 2010 CSQ under SBS Tender

Overview on 2010 SBS Allocation in metric tons:			
	1st Tranche	2nd Tranche	Total
Australia	6,500	6,000	12,500
Egypt	0	2,500	2500
Thailand	4,000	2,000	6,000
USA	6,000	3,200	9,200
Total	16,500	16,000	30,200

Table 2 – Taiwan's 2010 Country-Specific Quota (CSQ) for Public Sector Imports (4/20/2010 update)

Country	SBS System	Traditional Tender System	Total
Egypt	2,500	0	2,500
Thailand	6,000	2,300*	8,300
Australia	12,500	6,134*	18,634
USA	9,200	55,434	64,634
2009 Total	30,200	63,868	94,068

As of April 20, Taiwan has completed tenders for 44,460 tons of the 2010 rice CSQ, with a tender completion rate of 47%, SBS and Normal tenders combined. U.S. CSQ tender completion rate stands at 45%.

SBS Tender:

Taiwan completed the first tranche of 16,500 tons of SBS tenders on 2/11/2010 for importation by 12/31/2010, and 7,960 tons of the second tranche of 13,700 tons of SBS tenders on 04/20/2010 for importation by 04/30/2011. (* Taiwan adjusted the Thai 2010 rice CSQ tenders by moving 2,300 tons of a previously proposed SBS tender to under traditional tender.)

Traditional Tender:

A total of 55,434 tons of U.S. rice CSQ will be divided into three tranches. The first tranche 20,000 tons completed on 04/20/2010 for delivery by 08/31/2010. The second tranche is for 20,000 tons and the third tender is for 15,434 tons will be scheduled later.